

RECEIVED  
LEGISLATIVE AUDITOR  
2008 DEC -2 AM 10:50

UNIVERSITY OF LOUISIANA  
AT LAFAYETTE FOUNDATION, INC.

FINANCIAL REPORT

JUNE 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/10/08

## CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of financial position	2
Statement of activities	3 and 4
Statement of cash flows	5
Notes to financial statements	7 - 15
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	17 and 18
Schedule of findings and questioned costs	19
Schedule of prior year findings	20



**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4112 West Congress  
P.O. Box 61400  
Lafayette, Louisiana 70596-1400  
phone: (337) 988-4930  
fax: (337) 984-4574  
www.bplb.com

**Other Offices:**

Crowley, LA  
(337) 783-5693  
Opelousas, LA  
(337) 942-5217  
Abbeville, LA  
(337) 898-1497  
New Iberia, LA  
(337) 364-4554  
Church Point, LA  
(337) 684-2855

Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
P. John Blanchet, III, CPA\*  
Martha B. Wyatt, CPA\*  
Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Craig J. Viator, CPA\*  
Stacey E. Singleton, CPA\*  
John L. Istre, CPA\*  
Tricia D. Lyons, CPA\*  
Mary T. Miller, CPA\*  
Elizabeth J. Moreau, CPA\*  
Frank D. Bergeron, CPA\*

**Retired:**

Sidney L. Broussard, CPA 1925-2005  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA 1992  
Geraldine J. Wimberley, CPA 1995  
Lawrence A. Cramer, CPA 1999  
Ralph Friend, CPA 2002  
Donald W. Kelley, CPA 2005  
George J. Trappey, III, CPA 2007  
Terrel P. Dressel, CPA 2007  
Herbert Lemoine II, CPA 2008

*Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants*

\* A Professional Accounting Corporation

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
University of Louisiana  
at Lafayette Foundation, Inc.  
Lafayette, Louisiana

We have audited the accompanying statement of financial position of the University of Louisiana at Lafayette Foundation, Inc. (the "Foundation") as of June 30, 2008 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 9, 2008 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Broussard Poché Lewis & Breaux LLP*

Lafayette, Louisiana  
October 9, 2008

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

As of June 30, 2008

ASSETS

Cash and cash equivalents	\$	12,163,598
Due from state government		880,000
Contributions receivable, net		4,221,403
Investments, at market value		100,522,929
Property and equipment, net		9,619,998
Artworks		1,777,303
Accrued interest receivable		390,564
Other assets		<u>409,801</u>
Total assets	\$	<u><u>129,985,596</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Funds held in custody	\$	24,777,226
Bonds payable		2,200,000
Other liabilities		<u>135,760</u>
Total liabilities	\$	<u><u>27,112,986</u></u>
Net assets:		
Unrestricted	\$	5,588,345
Temporarily restricted		44,005,824
Permanently restricted		<u>53,278,441</u>
Total net assets	\$	<u><u>102,872,610</u></u>
Total liabilities and net assets	\$	<u><u>129,985,596</u></u>

See Notes to Financial Statements.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, GAINS, LOSSES AND OTHER SUPPORT:</b>				
Contributions	\$ 85,619	\$ 5,261,907	\$ 1,578,709	6,926,235
Contributions - artwork	196,250	-	-	196,250
Interest and dividends	388,265	2,424,273	-	2,812,538
Gains and (losses) on investments -				
Realized	847	(1,212,368)	-	(1,211,521)
Unrealized	-	(6,032,063)	-	(6,032,063)
Other income	106,349	1,438,349	19,944	1,564,642
Net assets released from restrictions -				
Satisfaction of purpose restrictions	4,307,058	(4,307,058)	-	-
Transfers between net asset classifications	493,267	1,108,079	(1,601,346)	-
Total revenues, gains, losses and other support	<u>\$ 5,577,655</u>	<u>\$ (1,318,881)</u>	<u>\$ (2,693)</u>	<u>\$ 4,256,081</u>
<b>EXPENSES:</b>				
Grants paid to benefit University of Louisiana at Lafayette for -				
Projects specified by donors	\$ 2,841,545	\$ -	\$ -	\$ 2,841,545
Fundraising	382,000	-	-	382,000
Supporting services -				
Salaries and benefits	102,391	-	-	102,391
Insurance	66,442	-	-	66,442
Office operations	31,719	-	-	31,719
Travel	7,686	-	-	7,686
Professional services	77,744	-	-	77,744
Dues and subscriptions	4,258	-	-	4,258
Meetings and development	6,962	-	-	6,962
Investment management fee	326,263	-	-	326,263
Interest	195,038	-	-	195,038
Depreciation and amortization	295,501	-	-	295,501
Bad debt expense	294,421	-	-	294,421
Total expenses	<u>\$ 4,631,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,631,970</u>

(continued)

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES (CONTINUED)  
Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Change in net assets	\$ 945,685	\$ (1,318,881)	\$ (2,693)	\$ (375,889)
Net assets at beginning of year, as previously stated	\$ 4,971,515	\$ 45,324,705	\$ 53,281,134	\$ 103,577,354
Prior period adjustment (see Note 12)	(328,855)	-	-	(328,855)
Net assets at beginning of year, as restated	\$ 4,642,660	\$ 45,324,705	\$ 53,281,134	\$ 103,248,499
Net assets at end of year	\$ 5,588,345	\$ 44,005,824	\$ 53,278,441	\$ 102,872,610

See Notes to Financial Statements.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2008

OPERATING ACTIVITIES:

Change in net assets	\$ (375,889)
Adjustments to reconcile change in net assets to operating activities -	
Depreciation	295,501
Net realized and unrealized losses on investments	7,243,584
Bad debt expense	294,421
Non cash donations	(196,250)
Changes in assets and liabilities :	
Decrease (increase) in assets -	
Contributions receivables	(1,358,718)
Due from state	(40,000)
Other assets	(5,574)
Increase (decrease) in liabilities -	
Funds held in custody	986,181
Other liabilities	<u>(14,239)</u>
Net cash provided by operating activities	\$ <u>6,829,017</u>

INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	\$ 50,723,743
Purchases of investments	(49,183,733)
Purchases of fixed assets	<u>(140,546)</u>
Net cash provided by investing activities	\$ <u>1,399,464</u>

FINANCING ACTIVITIES:

Principal payments on bonds payable	\$ <u>(4,700,000)</u>
Net cash used in financing activities	\$ <u>(4,700,000)</u>
Net increase in cash	\$ 3,528,481
Cash at beginning of year	<u>8,635,117</u>
Cash at end of year	<u>\$ 12,163,598</u>

See Notes to Financial Statements.

This page left blank intentionally.



UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

The University of Louisiana at Lafayette Foundation, Inc. (the "Foundation") is a nonprofit corporation organized to promote the educational, social, moral and material welfare of the University of Louisiana at Lafayette (the "University") and to receive scholarships, gifts, donations, devices and bequests of money and real and personal properties to become a part thereof, and to invest, care for, manage and control all monies and properties so received, and to disburse the same, and the income there from, as the donors may direct, or in case specific directions are not given, then to such uses as the Board of Trustees of the Foundation may determine, in aid of any of the activities, institutions, interests, purposes and objects of the University.

Significant accounting policies:

Basis of accounting -

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Contributions and recognition of donor restricted contributions -

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specified purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of noncash assets including artworks are recognized at their estimated fair market values at the date of the donation within the statement of activities and capitalized within the statement of financial position. These contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. Substantially all artworks are considered unrestricted by the Foundation. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents -

Cash and cash equivalents represent demand deposits and certificates of deposit with original maturities of three months or less. Fair value approximates carrying amounts. Certain cash and cash equivalents are restricted as to use based on donor stipulations. Restricted cash amounted to \$4,091,279 as of June 30, 2008.

## NOTES TO FINANCIAL STATEMENTS

### Investments -

The Foundation has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in temporarily restricted net assets.

### Concentrations of credit risk -

Financial instruments which subject the Foundation to concentrations of credit risk consist primarily of investments in long-term corporate and governmental fixed income instruments; equity holdings of domestic and international corporations; mutual funds which invest primarily in short-term governmental securities; and contributions receivable. The Foundation typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) limits.

### Tax status -

The Foundation is a Louisiana nonprofit corporation established in 1955. It is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code; accordingly, no provision for income taxes has been made in the financial statements.

### Property and equipment -

Purchased property and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Donations of property and equipment are recorded as support at their estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. The Foundation reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

### Real estate -

Real estate is held for investment purposes and is recorded at fair market value on the date donated.

### Charitable giving through life insurance -

In 1985, the Foundation instituted a "Charitable Giving Through Life Insurance Program" in which whole-life insurance policies are purchased on the lives of individuals, with their permission, with proceeds upon death insuring to the Foundation. The cash surrender value of these policies are recognized within the statement of financial position as other assets. Changes in the cash surrender value are recognized as other income in the financial statements.

## NOTES TO FINANCIAL STATEMENTS

### Funds held in custody -

The Foundation considers all state matching funds and the proportionate share of income generated and expenses paid from the entire endowment as funds held in custody.

### Employee benefit plans -

Effective January 1, 1991, the Foundation established a 403(b) plan to provide retirement benefits for employees. Any employee over the age of 18 who has completed one year of service (1,000 hours) is eligible to participate. Participants may contribute to the plan by deferring a portion of their gross salary, within certain IRS imposed limitations for maximum contributions in a given year. The Foundation will match up to 100% of the participant's first 4% of contributions. The amount included in expense for the year ended June 30, 2008 was \$12,221.

### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the programs and supporting services benefited.

### Note 2. Contributions Receivable

Unconditional promises to give are included in the financial statements as contributions receivable and revenue of the appropriate net asset category.

Contributions receivable, net of present value discount of \$1,494,293 (based on one year treasury note rates as of June 30 of each year), are expected to be realized in the following periods:

In one year or less	\$ 706,406
Between one year and five years	2,029,889
More than five years	<u>1,954,153</u>
	\$ 4,690,448
Allowance for doubtful accounts	<u>(469,045)</u>
	<u><u>\$ 4,221,403</u></u>

Contributions receivable at June 30 had the following restrictions:

Temporarily restricted by donor imposed stipulations for University programs and activities	\$ 3,450,715
Endowment for University programs and activities and property acquisitions	<u>1,239,733</u>
	<u><u>\$ 4,690,448</u></u>

## NOTES TO FINANCIAL STATEMENTS

The Foundation's management performs an annual in depth analysis of pledged contributions and determines that certain contributions receivable are no longer collectible. Contributions totaling \$85,860 were written off during the year ending June 30, 2008.

Additionally, management reserved \$469,045 of allowance for possible uncollectible pledges as of June 30, 2008. The allowance is based on management's estimate of future losses; actual losses may vary from the current estimate. The estimate is reviewed periodically, taking into consideration the risk characteristics of pledged contributions, past loss experience, general economic conditions and other factors that warrant current recognition. As adjustments to the estimate of future losses become necessary, they are reflected as a provision for bad debts in current-period earnings. Actual pledge losses are deducted from, and subsequent recoveries are added to, the allowance.

### Note 3. Investments

Investments are measured at fair value in the statement of financial position. Investments consist of bonds, stocks, mutual funds and certificates of deposit. Realized and unrealized gains and losses on investments, interest and dividends are reflected in the statement of activities within the appropriate net asset category.

Investments are composed of the following at June 30:

	<u>Fair Market Value</u>
Certificates of deposit	\$ 3,341,234
Bonds	40,010,772
Stocks and mutual funds	<u>57,170,923</u>
	<u>\$ 100,522,929</u>

### Note 4. Property and Equipment

A summary of property and equipment at June 30 follows:

Buildings	\$ 10,057,924
Real Estate	724,241
Vehicles	18,800
Furniture and equipment	<u>554,392</u>
	\$ 11,355,357
Less: accumulated depreciation	<u>(1,735,359)</u>
	<u>\$ 9,619,998</u>

The assets shown are owned by the Foundation, but the majority of these assets are used by the University in support of its educational activities.

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Funds Held in Custody

One of the Foundation's primary objectives is to raise funds to provide endowed professorships and chairs to the University. The Louisiana Endowment Trust Fund for Eminent Scholars was created by the Louisiana Legislature in 1983 to provide State funds as a challenge grant to eligible public and private institutions which would be responsible for providing matching funds obtained from gifts. Endowed professorships are established at \$100,000, endowed chairs at \$1,000,000 and endowed superchairs at \$2,000,000, with the State providing 40% of the funding once the Foundation has acquired 60% of the principal through private gifts. The University is allowed to apply for the 40% match while maintaining the 60% private gift in the Foundation. Funds are pooled for investment purposes in the Foundation, but the State's 40% match, net of the proportionate share of income and expenses of the endowments, are recognized as a liability to the University under the caption "Funds Held in Custody." The State matching funds managed for the University at June 30, 2008 were \$24,777,226. As of June 30, 2008, the University had private gift donations meeting the State match requirements totaling \$1,320,000, which had not been funded. As such, the total amount due from the State as of June 30, 2008 was \$880,000.

Total payments to the University from these endowments for chairs and professorships amounted to \$11,706 for the year ending June 30, 3008.

### Note 6. Long-Term Debt

Bonds outstanding are as follows:

Tax exempt revenue bonds,	
4.50%, due on March 1, 2017, face \$8,500,000,	
collateralized by land and a building with a	
carrying value of \$7,713,319 as of June 30, 2008.	<u>\$ 2,200,000</u>

Cash paid for interest during the fiscal year ended June 30, 2008 was \$265,263.

The \$8,500,000 bond issue with an original issue date of February 1, 2002 was issued through the Lafayette Economic Development Authority (LEDA). The proceeds from this bond issue was used to construct an art museum at 101 Girard Park Drive. Collateral on these bonds are the land and building constructed with the bond proceeds, the existing art museum and land located at the corner of Girard Park Drive and St. Mary Boulevard, together with a collateral pledge of all earnings derived from donations to the Foundation specifically for this project and, to the extent permitted by applicable law, 50% of the earnings and the matching principal, non-federal portion of two Title III Endowment Fund accounts maintained by the Foundation. Additionally, the mortgage note securing the bond issue is a non-recourse note in which the mortgage holder, in the event of default, agrees to look solely to the real estate mortgaged and the revenues pledged for payment of the amount due. The Foundation shall not be held liable by reason of any default in the payment of the bonds or the performance of any other obligations under the mortgage agreement.

## NOTES TO FINANCIAL STATEMENTS

The annual requirements on this bond issue as of June 30, 2008 are as follows:

Year Ended June 30,	Principal	Interest	Total
2009	\$ -	\$ 99,000	\$ 99,000
2010	-	99,000	99,000
2011	-	99,000	99,000
2012	-	99,000	99,000
2013	-	99,000	99,000
2014-2017	<u>2,200,000</u>	<u>301,500</u>	<u>2,501,500</u>
	<u>\$ 2,200,000</u>	<u>\$ 796,500</u>	<u>\$ 2,996,500</u>

### Note 7. Net Asset Classification

Temporarily restricted net assets are restricted as to use in the following general areas:

- Chairs and professorships
- Scholarships
- Fundraising
- Operations and supplies
- Travel
- Capital outlay and improvements

Temporarily restricted net assets consisted of the following as of June 30:

Non endowed donations restricted as to purpose	\$ 16,692,261
Income on endowments available to satisfy purpose restrictions	<u>27,313,563</u>
	<u>\$ 44,005,824</u>

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support the above activities.

Permanently restricted net assets consisted of the following as of June 30:

Endowed funds - non 8 G	\$ 24,078,201
Endowed - 8 G (Foundation portion)	<u>29,200,240</u>
	<u>\$ 53,278,441</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 8. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring the following expenses which satisfy the restricted purposes or by occurrence of other events specified by the donors for the year ended June 30:

Payments to benefit University of	
Louisiana at Lafayette	\$ 2,841,545
Interest expense	195,038
Depreciation expense	254,106
Bad debt expense	208,560
Investment management fees	<u>807,809</u>
	<u>\$ 4,307,058</u>

### Note 9. Specified Projects – Program Expenses

The following is a detail of monies paid to benefit the University.

Agriculture	\$ 2,873
Alumni Affairs	97,179
Arts and Humanities	44,161
Athletics	479,068
Business Administration	35,033
CIM Center	86,387
Engineering	31,171
Housing	32,800
Nursing	4,632
Research Center	320,646
Scholarships	1,043,220
Sciences	13,825
University Art Museum	23,398
University Services	572,354
All others	<u>54,798</u>
	<u>\$ 2,841,545</u>

The Foundation invests and manages donations and endowed funds for the University. These endowed and non-endowed funds are accounted for as either permanently or temporarily restricted based upon donor restrictions. Each year income from endowed funds is allocated and paid to the University for the specific purpose of the endowment. Non-endowed funds (donations) are allocated to the University based upon donor restrictions. All funds allocated to the University are reflected as program service within the statement of activities.

## NOTES TO FINANCIAL STATEMENTS

### Note 10. Lease Agreement

The Foundation entered into a lease agreement with the University of Louisiana Board of Supervisors in November 1999 to lease the land at 705 East St. Mary Boulevard (the Foundation's office building). The lease is for 99 years at a rental rate of \$10 annually.

During the fiscal year ended June 30, 2005, the Foundation entered into a lease agreement with the University of Louisiana Board of Supervisors to lease the land at 710 East St. Mary Boulevard (the University Art Museum). The lease is for 99 years at a rental rate of \$10 annually.

### Note 11. Disclosure About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents:

The carrying amount approximates fair value because of the short maturity of those instruments.

Contributions receivable:

Contributions receivable are valued by discounting the expected future cash flows based on the one year Treasury note rate as of June 30 of each year. The carrying amount reflected in the financial statements represents the estimated fair market value at the end of the year.

Investments:

Investments are valued at quoted market prices as of the June 30 of each year. Investments are carried at fair market value within the financial statements.

Bonds payable:

Bonds are valued based on the estimated cash outflows expected discounted using market yields on tax exempt bonds with similar maturities.

	In Thousands	
	Carrying Amount	Fair Value
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,164	\$ 12,164
Contributions receivable	\$ 4,221	\$ 4,221
Investments	\$ 100,523	\$ 100,523
<b>LIABILITIES</b>		
Bonds payable	\$ 2,200	\$ 2,274



## NOTES TO FINANCIAL STATEMENTS

### *Note 12. Prior Period Adjustment*

The amount of capitalized artworks as previously stated was \$1,909,908 at June 30, 2007 and should have been \$1,581,053. The net effect of this restatement amounted to a decrease in net assets as previously stated by \$328,855.

This page left blank intentionally.



**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4112 West Congress  
P.O. Box 61400  
Lafayette, Louisiana 70596-1400  
phone: (337) 988-4930  
fax: (337) 984-4574  
www.bplb.com

**Other Offices:**

Crowley, LA  
(337) 783-5693  
Opelousas, LA  
(337) 942-5217  
Abbeville, LA  
(337) 898-1497  
New Iberia, LA  
(337) 364-4554  
Church Point, LA  
(337) 684-2855

Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
P. John Blanchet, III, CPA\*  
Martha B. Wyatt, CPA\*  
Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Craig J. Viator, CPA\*  
Stacey E. Singleton, CPA\*  
John L. Istre, CPA\*  
Tricia D. Lyons, CPA\*  
Mary T. Miller, CPA\*  
Elizabeth J. Moreau, CPA\*  
Frank D. Bergeron, CPA\*

**Retired:**

Sidney L. Broussard, CPA 1925-2005  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA 1992  
Geraldine J. Wimberley, CPA 1995  
Lawrence A. Cramer, CPA 1999  
Ralph Friend, CPA 2002  
Donald W. Kelley, CPA 2005  
George J. Trappey, III, CPA 2007  
Terrel P. Dressel, CPA 2007  
Herbert Lemoine II, CPA 2008

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of  
University of Louisiana  
at Lafayette Foundation, Inc.  
Lafayette, Louisiana

We have audited the financial statements of the University of Louisiana at Lafayette Foundation, Inc. (a non-profit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated October 9, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Trustees, management, others within the Foundation and officials of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Broussard Roche Turri & Breaux LLP*

Lafayette, Louisiana  
October 9, 2008

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2008

We have audited the financial statements of University of Louisiana at Lafayette Foundation, Inc. as of and for the year ended June 30, 2008, and have issued our report thereon dated October 9, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2008 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ None Reported

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II - Financial Statement Findings

None Reported.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2008

Section I. Internal Control and Compliance Material to the Financial Statements

None noted.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.